Please Initial Here: _____

REQUEST TO TRANSFER SOFTWARE LICENSE AND INTEGRATED LICENSE AND MONTHLY SUBSCRIPTION AGREEMENT (FROM SUBSCRIBER TO SUBSCRIBER), Rev 4/05

Please follow these instructions:

1. **The current licensee and the new licensee must sign this document in the presence of a notary public**.
2. **The notary must witness, and sign his or her name on this document and apply the notary stamp to this document**.
3. **The new licensee must initial the tops of each page**.
4. **A payment must be made payable in the amount of $50.00 in the form of a cashier's check or money order to Elite Software to cover the cost of the license transferal fee**.
5. **This original agreement, not a copy, must be sent to Elite Software. This agreement will not be accepted via a fax. Mail agreement and cashier's check to: Elite Software, Inc., P.O. Box 13351, Gainesville Florida 32604-1351, or overnight to: Elite Software, Inc., 3324 W. University Avenue, Suite 130, Gainesville Florida 32607.**

THIS SECTION TO BE SIGNED BY THE "CURRENT" LICENSEE:

The current licensee named below (the "CURRENT LICENSEE"), by and through the undersigned, who acknowledges he/she is authorized to bind the CURRENT LICENSEE hereto, hereby, requests Elite Software, Inc. approve the transfer of its license to use the Elite Property, as that term is defined in the License and Monthly Subscription Agreement previously executed by CURRENT LICENSEE, and which is currently licensed to CURRENT LICENSEE, to the following individual or entity:_____ (the "TRANSFEREE"). I agree to refrain from further use of the Elite Property, destroy all copies of the Elite Property, and provide the disks, manuals, security device, and all related documentation to TRANSFEREE. Enclosed with this letter is a nonrefundable payment in the amount of U.S. $50.00 to be applied towards the transferal fee. I understand this payment will cover the administrative costs associated with Elite Software, Inc.'s approval of the transfer of the license.

THIS IS A LEGALLY BINDING AGREEMENT; PLEASE READ ALL PAGES. THIS AGREEMENT IS THE OBLIGATION OF THE CURRENT LICENSEE NAMED BELOW:

_____

CURRENT LICENSEE's* Printed Name (* If Current Licensee is a corporation or an entity other than an individual, then the name of that corporation or entity should be printed as Current Licensee.)

_____ _____

Signature of LICENSEE or LICENSEE's Agent Printed Name of Person Signing (if NOT an individual or sole proprietor)

_____ _____

Title of Person Signing Date

_____

CURRENT LICENSEE Address City State Zip Code

_____ _____ _____

Phone Fax E-mail address

CURRENT LICENSEE listed above is a(n): [ ] Individual/Sole Proprietorship [ ] Limited Liability Company (LLC)

[ ] Limited Partnership [ ] Corporation [ ] General Partnership

STATE OF _____
COUNTY OF _____

BEFORE ME, the undersigned authority, personally appeared the above referenced CURRENT LICENSEE who states his/her name is

_____, who [ ] is personally known / [ ] did show identification to me, and under oath does state that he/she is

the aforementioned named CURRENT LICENSEE and who did execute the forgoing in my presence.

SWORN TO AND SUBSCRIBED before me this ____ day of _____, 200__.

Witness my hand and seal:

_____ _____
Signature of Notary Public Date

My commission expires: _____

ELITE SOFTWARE, INC. LICENSE AND MONTHLY SUBSCRIPTION AGREEMENT (Rev. 4/05)

THIS LICENSE AND MONTHLY SUBSCRIPTION AGREEMENT (the "Agreement") is to induce Elite Software, Inc., hereinafter referred to as ELITE, to license its property to the undersigned on a monthly subscription basis and the undersigned, hereinafter referred to as LICENSEE or TRANSFEREE, acknowledges and agrees to the following provisions:

1. **APPLICATION OF AGREEMENT.** This Agreement applies to the following: the most recent release of, all previous releases of, and all future releases of **Elite Salon and Spa Management™** software program, without regard to the name under which said software program is marketed (the "Software Program"), and any and all modules and components of the Software Program, including, but not limited to, **Elite Salon and Spa Payroll™**, **Elite Configuration™,** and **Elite Network Administrator™** (the "Components and Modules") regardless of the version of the Components and Modules or the name under which the Components and Modules are marketed. The terms of this Agreement also apply to the Subscription Customer Security Device (the "SCSD") that must be connected to the back of the computer in order for the Software Program to function, without regard to which version of the Software Program and which Components and Modules, if any, said physical security device is configured to enable (the "Security Device"). The Software Program, the Components and Modules, and the SCSD shall be collectively referenced as the "Elite Property".

2. **TERMS OF USE.** LICENSEE has the non-exclusive right to use the Elite Property and its documentation. LICENSEE may only use the Elite Property on a single computer at any one time. If LICENSEE desires to use the Elite Property on a network joining one server to one or more workstations, LICENSEE must subscribe to a separate network license. The Software Program requires the SCSD be connected to the back of the computer for the Software Program to function. The purpose of the SCSD is to assist ELITE in controlling the sale, distribution, and use of illegal copies of the Software Program. LICENSEE may NOT distribute copies of or documentation of the Elite Property to others. **THE ACTUAL SOFTWARE PROGRAM, COMPONENTS AND MODULES, AND SCSD REMAIN THE PROPERTY OF ELITE.** LICENSEE may not sell the license to the Elite Property, including the manuals and documentation of same, to another person at any price. Although LICENSEE may make a backup copy of the Software Program and Components and Modules for LICENSEE's own use, LICENSEE is not allowed to make unlimited copies. It is illegal to make copies of the Software Program, or Components and Modules, except for backups exclusively for LICENSEE's use. The Software Program and Components and Modules are protected by the copyright laws pertaining to computer software. It is illegal to give copies of the Software Program, Components and Modules, or manuals and documentation of same to another person, or to duplicate the Software Program or Components and Modules by any other means, including electronic transmission. The Elite Property contains trade secrets and in order to protect such trade secrets LICENSEE may not decompile, reverse engineer, disassemble, or otherwise reduce the Elite Property to human-perceivable form. LICENSEE may not modify, adapt, translate, rent, lease, or create derivative works based upon the Elite Property or any part thereof.

3. **SCSD VALUE AND REPLACEMENT. The SCSD is ELITE's property. The value of a non-network enabled SCSD is $300.00. If LICENSEE no longer has possession of the SCSD, ELITE will provide a non-network enabled replacement SCSD to LICENSEE at the price of $300.00. The value of a network enabled SCSD is established in the "Elite Software, Inc. Network License and Monthly Subscription Agreement" and ELITE will replace a network enabled SCSD as set forth in said network license agreement.**

4. **RELATIONSHIP.** The relationship between LICENSEE and ELITE will involve a series of steps:

   a) Initially, TRANSFEREE will provide payment towards the first month's subscription and this signed License and Monthly Subscription Agreement to ELITE. This License and Monthly Subscription Agreement can be mailed to ELITE at P.O. Box 13351, Gainesville FL 32604.

   b) Once this License and Monthly Subscription Agreement is received and approved by ELITE, TRANSFEREE may install the Software

Program and Components and Modules to a computer. TRANSFEREE understands the Software Program will not function until the SCSD is connected to the computer and the Software Program is authenticated (see Paragraph 4d below regarding "authentication").

c) Once TRANSFEREE receives the SCSD, TRANSFEREE agrees to attach it directly to the parallel printer port in the back of TRANSFEREE's computer. If a printer cable is already connected to the port, TRANSFEREE can unhook the printer cable and connect it into the SCSD. TRANSFEREE acknowledges there is a small possibility TRANSFEREE's computer will not be fully compatible with the SCSD. If it is not, TRANSFEREE may need to install a second parallel port (LPT2) into TRANSFEREE's computer, or request a USB SCSD from ELITE, which will attach to an available USB port. If TRANSFEREE's computer does not have the capability of adding a second port, or does not have an available USB port, TRANSFEREE may need to replace the current computer entirely with another computer that will be compatible with the SCSD. Additionally, TRANSFEREE agrees ELITE is not responsible for any costs that TRANSFEREE may incur as a result of installing a second port, or replacing the computer.

d) The Software Program requires an "authentication" date, which permits the Software Program to function. TRANSFEREE must update the authentication date on a monthly basis for continual usage of the Software Program. Authentication can be performed automatically by the Software Program using an Internet connection, or by TRANSFEREE making a toll (direct dial) phone call to the EAVAC (Elite Automated Voice AuthentiCation) system. TRANSFEREE understands the process of updating the authentication date cannot be handled over the telephone by an ELITE representative via ELITE's regular toll-free telephone line. ELITE and TRANSFEREE both agree the process of updating the authentication date via the Internet does not involve the collection of any personal information from TRANSFEREE or TRANSFEREE'S computer.

e) Monthly subscription payments must be directly debited from TRANSFEREE'S bank account and TRANSFEREE shall sign ELITE's Automatic Payment System ("APS") Agreement and submit it with this License and Monthly Subscription Agreement. In the event TRANSFEREE does not elect the direct debit option or is not approved by ELITE for direct debit, TRANSFEREE has the option to purchase a license to use the Elite Property, or cancel this License and Monthly Subscription Agreement pursuant to the License and Monthly Subscription Agreement.

5. **SUSPENSION OF ACCOUNT.** If LICENSEE is delinquent on any subscription payments or other outstanding balances, fails to sign the APS Agreement within five (5) months, or is in breach of this Agreement or any other agreement signed with Elite Software, access to the Elite Property will be suspended until such matters are resolved. To resolve any such matters, LICENSEE will be required to contact Elite Software Customer Service Department during the normal business hours outlined in Paragraph 17.

6. **REFUND POLICY. ALL subscription payments by LICENSEE to ELITE are final and non-refundable. Until LICENSEE cancels this Agreement, as specified in Paragraph 13, OR purchases a license to use the Elite Property, LICENSEE is responsible for paying the subscription fee each month, regardless of whether LICENSEE uses the Elite Property or not.**

7. **PRICING AND TERMS OF PAYMENT. If LICENSEE, pursuant to this Agreement, subscribes to only ONE (1) license to use the Software Program OR if LICENSEE subscribes to more than ONE (1) license to use the Software Program, but Subscription Fees for those licenses are to be debited from more than one (1) bank account, then the following pricing and terms of payment are applicable:** LICENSEE shall provide a payment of $79.00 (the "Subscription Fee") by the twenty-fifth (25th) day of each month to be applied towards the following month's subscription fee.

If LICENSEE, pursuant to this Agreement, subscribes to more than one license to use the Software Program AND Subscription Fees for those licenses are debited from the SAME BANK ACCOUNT pursuant to the SAME APS (Automated Payment System) AGREEMENT AND subject to other terms and conditions hereof, then the following pricing and terms of payment are applicable: If LICENSEE: a) provides ONE bank account for direct debit purposes for ALL licenses; b) signs ONE APS Agreement authorizing ELITE to directly debit the sum total of all licenses to which LICENSEE subscribes; and c) is affiliated with the locations where the Software Program is to be used, in the same manner of LICENSEE's affiliation with the location where the Elite Property originally licensed to LICENSEE is used, LICENSEE qualifies for a special monthly rate equal to the current full subscription price of $79.00 for one license, plus $49.00 for each additional license in excess of one license. Note: This discount is not valid for the first month's subscription fee for the additional license.

Regardless of the pricing and terms of payment applicable to LICENSEE, if payment is not received by the twenty-fifth (25th) day of the month, LICENSEE shall pay the Subscription Fee plus a **late fee** of $20.00, which shall be considered an additional Subscription Fee. Additionally, if any checks are returned unpaid from the bank, regardless of reason, LICENSEE shall pay a **return fee** of $20.00. ELITE reserves the right to deny any technical support to LICENSEE or suspend access to the Elite Property until LICENSEE fulfills any and all outstanding payment obligations to ELITE. If LICENSEE has not made a payment for an outstanding balance by the tenth (10th) day of the month following the month in which the payments were due, ELITE reserves the right to take any and all actions to remove the Elite Property and/or disable the use of the Elite Property from the hard drive of LICENSEE'S computer. If LICENSEE is still delinquent on

any outstanding balances after ninety (90) days, LICENSEE authorizes ELITE to charge LICENSEE's credit card, or directly debit LICENSEE's bank account for any outstanding balances due. If ELITE is unsuccessful in collecting the outstanding balance via a credit card charge or direct debit, ELITE will immediately set LICENSEE's account to inactive and refer the account to a collection agency. The collection agency will attempt to collect from LICENSEE all past due amounts in addition to $300.00 for each unreturned SCSD. If the SCSD is network enabled, then LICENSEE agrees to insure the SCSD with courier as set forth in the "Elite Software Inc. Network License and Monthly Subscription Agreement. LICENSEE may also be subject to additional fees imposed by the collection agency. In the event ELITE must bring legal action to collect any sums due hereunder, LICENSEE agrees that ELITE shall be entitled to recover its reasonable legal fees incurred. All delinquent sums due hereunder shall accrue interest at the rate of 1.5% per month.

8. **DURATION OF AGREEMENT.** This Agreement is a month-to-month agreement and may be cancelled by LICENSEE, at any time, provided LICENSEE is current in all of LICENSEE's obligations to ELITE, or by ELITE at any time. ELITE may require LICENSEE to execute a new or updated Agreement at any time as a condition of LICENSEE's continued subscription to the Elite Property. Should LICENSEE elect not to sign a new Agreement for use of the Elite Property, as required by ELITE, LICENSEE agrees LICENSEE will follow the terms of cancellation set forth herein in Paragraph 13.

9. **AMENDMENTS TO AGREEMENT.** ELITE may make any amendments to this Agreement after providing notice to LICENSEE of the amendment at least ninety (90) days prior to the effective date of the amendment and LICENSEE agrees LICENSEE's failure to cancel this Agreement prior to the effective date of the amendment constitutes LICENSEE's acceptance of the terms of said amendment. Notice of amendments will be provided by ELITE via at least one of the following methods: U.S. Mail, a message on ELITE's EAVAC system, or a message provided by the Software Program at the time of a monthly "authentication date" update.

10. **OPTION TO PURCHASE.** This is not a finance contract or a lease-to-own agreement. Licensee may elect to purchase the software license and discontinue the subscription option provided LICENSEE agrees to purchase a software license for EACH of the licenses to which LICENSEE subscribes. In the event LICENSEE elects to purchase the **unlimited operator** license of the Elite Property and discontinue the subscription option, LICENSEE must sign the "Elite Software License and Purchase Agreement". Upon LICENSEE's execution of an Elite Software, Inc. License and Purchase Agreement, ELITE will apply previous monthly subscription payments, not to exceed the amount of three (3) months of subscription payments actually paid by LICENSEE, toward the purchase price of the **unlimited operator** license to use the Elite Property. In the event LICENSEE elects to purchase the **single-operator/booth renter** license to use the Elite Property and discontinue the subscription option, LICENSEE must sign the "Elite Software Single Operator License and Purchase Agreement" and no previous subscription payments will be applied towards the purchase price of the **single-operator/booth renter license to use** the Elite Property. Once LICENSEE purchases a license to use the Elite Property and signs a purchase agreement, this Agreement is no longer in effect. If LICENSEE elects to purchase the unlimited operator license of the Elite Property and discontinue the subscription option AND LICENSEE was also subscribing to a network license, LICENSEE: i) is no longer eligible to continue subscribing to such network license, ii) must purchase the license to use the network enabled Elite Property, and iii) must sign the "Elite Software Network License Purchase Agreement" in order to gain access again to the network enabled Elite Property. No previous payments made toward the network subscription fee can be applied to the purchase of the network license. **As long as LICENSEE continues to subscribe to the Elite Property as it pertains to this Agreement, LICENSEE can only subscribe to, not purchase, a network license.**

11. **ADDITIONAL LICENSES FOR USE OF ELITE PROPERTY.** LICENSEE may subscribe to more than one license to use the Elite Property. To subscribe to additional licenses to use the Elite Property, LICENSEE shall execute and return to ELITE an Elite Software, Inc. License and Monthly Subscription Agreement for each additional license. As long as LICENSEE subscribes to a license to use the Elite Property, LICENSEE can only **subscribe to**, but not purchase, additional licenses. ELITE reserves the right to limit the number of licenses to use the Elite Property to which LICENSEE may subscribe. Pricing and terms of payment for additional licenses to use the Elite Property are set forth in Paragraph 7, hereof.

12. **CHANGES TO LICENSEE CONTACT INFORMATION.** Any changes to LICENSEE's name, mailing address, physical address where Elite Property is used, the customer security password, or LICENSEE's telephone numbers during the course of this Agreement, shall be provided to ELITE by LICENSEE using the "Elite Software Change in Customer Information" form (located in the Help screens of the Software Program), or over the telephone to an ELITE representative when validated by the customer security password.

13. **CANCELLATION.** If LICENSEE decides to cancel this Agreement, LICENSEE agrees to a) contact ELITE to request a return merchandise authorization ("RMA") number, b) complete the "License and Monthly Subscription Agreement Cancellation Request" form (located in the Help screens of the Software Program), c) complete the "Network License and Monthly Subscription Agreement Cancellation Request" form if LICENSEE is currently subscribing to a network license, d) refrain from further use of the Elite Property, e) remove the Software Program and Components and Modules from the hard drive of the computer, f) destroy all copies of the Software Program and Components and Modules, and g) return the SCSD and the "License and Monthly Subscription Agreement Cancellation Request" and "Network License and Monthly Subscription Agreement Cancellation Request" forms, freight pre-paid by LICENSEE, with the RMA number clearly printed on the outside of shipping package, via U.S. Certified Mail, or other courier that provides written proof of delivery to the following address: Elite Software, Inc., 3324 W. University Avenue, #130, Gainesville, Florida, 32607, U.S.A, and insure the device with courier for the amount of $300.00. If the SCSD is network enabled, then LICENSEE agrees to insure the SCSD with courier as set forth in

the "Elite Software, Inc. Network License and Monthly Subscription Agreement". ELITE will not accept any shipment not clearly displaying the RMA number on the outside of the package. **Subscription Fees paid by LICENSEE to ELITE, including Subscription Fees transferred from LICENSEE's bank account to ELITE pursuant to an APS Agreement, prior to the date the SCSD is received by ELITE from LICENSEE will not be refunded to LICENSEE under any circumstances. Thus, if LICENSEE has previously given permission to allow ELITE to debit LICENSEE's bank account for the monthly subscription fee, then the SCSD must be RECEIVED by ELITE by the 25th day of a given month to avoid further debits to LICENSEE's bank account.** Note: If LICENSEE is unable to return the SCSD to ELITE, LICENSEE can still cancel this Agreement by signing the "License and Monthly Subscription Agreement Cancellation Request" and "Network License and Monthly Subscription Agreement Cancellation Request" forms AND submitting a payment in the form of a cashier's check payable to "Elite Software, Inc." that includes $300.00 to cover the value of the SCSD, plus any outstanding balances, unless the SCSD was a network enabled Security Device, in which case LICENSEE would include a payment for the value of the network enabled Security Device as outlined in the "Elite Software, Inc. Network License and Monthly Subscription Agreement". If LICENSEE desires to make the account active again, LICENSEE will be required to pay a $100.00 reinstatement fee, and agree to sign a new Agreement, and a new APS Agreement.

14. **DEFECTIVE SUBSCRIPTION CUSTOMER SECURITY DEVICE (THE "SCSD).** If LICENSEE needs to return a SCSD to ELITE because it appears defective or damaged, or LICENSEE desires to exchange a parallel SCSD for a USB SCSD or a USB SCSD for a parallel SCSD, LICENSEE shall i) contact ELITE to request a return merchandise authorization ("RMA") number, ii) complete the "Subscription Customer Security Device Repair Order" form (located in the Help screens of the Software Program), iii) ship the SCSD, freight pre-paid by LICENSEE, with the RMA number clearly printed on the outside of shipping package, to the following address: Elite Software, Inc., 3324 W. University Ave., #130, Gainesville, FL 32607, U.S.A., and iv) prepay $49.00 to be applied toward the "security device repair or exchange fee". LICENSEE agrees to ship the SCSD via U.S. Certified Mail, or other reliable courier that provides written proof of delivery, insuring the SCSD with courier against loss or damage for the amount of $300.00. If the SCSD is network enabled, then LICENSEE agrees to insure the SCSD with courier as set forth in the "Elite Software Inc. Network License and Monthly Subscription Agreement. The "security device repair or exchange fee" of $49.00 may change from time to time and any changes are posted on Elite's web site -- http://www.elitesoftware.com/tech/tech.htm. ELITE will not accept any shipment not clearly displaying the RMA number on the outside of the package. Once received, ELITE will verify the SCSD is the SCSD initially furnished by ELITE to LICENSEE using the unique serial number embedded on the side of the SCSD, and verify LICENSEE has prepaid the "security device repair or exchange fee". Upon verification, ELITE agrees to repair or exchange, and ship the SCSD back to LICENSEE free of charge, provided LICENSEE's business is located within the 48 contiguous states of the United States. If LICENSEE's business is in Hawaii, Alaska, Puerto Rico, the U.S. Virgin Islands, or any country outside the U.S., LICENSEE agrees to pre-pay for the shipping costs incurred in shipping the SCSD from ELITE to LICENSEE.

15. **INDEMNIFICATION OF ELITE FOR SHIPPING RELATED DAMAGE AND LOSSES.** LICENSEE expressly indemnifies and holds harmless ELITE for any and all losses occurring during shipping of items to or from ELITE.

16. **LICENSE TRANSFER.** This License is non-transferable or assignable by LICENSEE without the prior written consent of ELITE. ELITE will consider approval for the transfer once the following documents are provided to ELITE: a) the "Request to Transfer Subscription Customer Software License and Integrated License and Monthly Subscription Agreement" signed by the LICENSEE, the proposed new licensee, and the proposed new guarantor, if applicable b) the "Elite Software Automated Payment System (APS) Agreement" signed by the proposed new licensee and c) a non-refundable payment of $50 to cover the cost of transfer, plus payment for any outstanding balances. If the transfer is NOT approved by ELITE, LICENSEE is still the responsible party under this Agreement.

17. **ELITE'S HOURS OF OPERATION.** Hours of operation for the **Sales, Training, and Customer Service Departments**, are Monday through Friday from 10:00 a.m. to 6:00 p.m. Eastern Standard Time, excluding all holidays, and the hours of operation for the **Technical Support Department** are Monday from 9:00 a.m. to 6:00 p.m. Eastern Standard Time, excluding all holidays, Tuesday through Friday from 9:00 a.m. to 8:00 p.m. Eastern Standard Time, excluding all holidays, and Saturday from 10:00 a.m. to 2:00 p.m. Eastern Standard Time, excluding all holidays. ELITE's hours of operation are subject to periodic change and these periodic changes will be posted on Elite's web site -- http://www.elitesoftware.com/tech/tech.htm

18. **BASIC SUPPORT.** ELITE will provide free ***basic training and technical support*** ("Basic Support"), via the telephone to LICENSEE for as long as LICENSEE is current on all subscription fees and other outstanding balances. If LICENSEE's business is located outside the United States, Puerto Rico or the U.S. Virgin Islands, LICENSEE shall pay all long distance charges at the rate charged by ELITE's long distance telephone company, plus any applicable taxes. Basic Support refers to the guidance provided by an ELITE representative to LICENSEE over the telephone. **Such guidance is limited to answering training questions or supporting technical issues regarding the Elite Property and assistance on "specialty hardware items" purchased from ELITE, and may include prescheduled one-hour training sessions**. If LICENSEE requires troubleshooting outside the scope of basic training such as the need for an ELITE representative to review LICENSEE's data or remotely accessing customer's database; or guidance in areas not related to the Elite Property or "specialty hardware items" purchased from ELITE, such as guidance on LICENSEE's actual computer hardware, the configuration of LICENSEE's computer's settings (changing the time or adding a new printer driver), or for the loss of network connections and

configurations between LICENSEE's computers, LICENSEE must: a) contact LICENSEE's hardware vendor, b) hire a computer consultant, or, c) request ***extended training or technical support*** from ELITE, as outlined in Paragraph 19 of this Agreement. Note: Only "specialty hardware items" purchased from ELITE are guaranteed to be compatible with the Software Program.

19. **EXTENDED SUPPORT.** LICENSEE may request ELITE provide ***extended training or technical support***, ("Extended Support"), via telephone which could involve assisting LICENSEE with converting LICENSEE's database files from a third-party software program into a database format recognized by the Elite Property; assisting LICENSEE with the Software Program's corrupted database files (as outlined in Paragraph 21 of this Agreement); reviewing LICENSEE's database files for training purposes; or assisting LICENSEE in areas that are not related to the Elite Property or not related to "specialty hardware items" purchased from Elite Software. Such Extended Support is available at a fee of $125.00 per hour, limited to the hours of operation for the Training or Technical Support Departments outlined in Paragraph 17, hereof. For purposes of this paragraph, an hour is defined as any sixty-minute period, or portion thereof. The fee for Extended Support may change from time to time, and any changes are posted on Elite's web site -- http://www.elitesoftware.com/tech/tech.htm. If LICENSEE should desire this advanced level of support, LICENSEE agrees to sign and return to ELITE the "Elite Software Credit Card Authorization for Extended Training or Technical Support". However, regarding database files or documentation sent by LICENSEE to ELITE for conversion, corruption repair, or other diagnostic analysis, LICENSEE is required to pay a nonrefundable $35 "diagnostic fee" for ELITE to review LICENSEE's data or documentation PRIOR to LICENSEE receiving any Extended Support. The diagnostic fee must be prepaid by check or credit card. If payment is made by credit card, LICENSEE agrees to sign and return to ELITE the "General Credit Card Authorization Form". This diagnostic fee may change from time to time, and any changes are posted on Elite's web site -- http://www.elitesoftware.com/tech/tech.htm. ELITE will determine if LICENSEE's database file can be converted or repaired and will provide LICENSEE with a report of its evaluation within twenty-four (24) hours of receipt of LICENSEE's database files and LICENSEE's payment toward the diagnostic fee. If LICENSEE desires ELITE to proceed with converting or repairing database files, ELITE will provide such Extended Support once LICENSEE signs the "Elite Software Credit Card Authorization for Extended Training or Technical Support". ELITE does not guarantee ELITE will be able to convert or repair LICENSEE's database files, and LICENSEE is responsible for all fees incurred whether ELITE is successful or not in its attempt to convert or repair LICENSEE's database file. Generally, depending on the level of data corruption or conversion, ELITE will convert or repair database files within seventy-two hours (72) hours of receipt of LICENSEE's signed "Elite Software Credit Card Authorization for Extended Training or Technical Support". Note: A rush fee of $45 can be charged for Extended Support to be performed within twenty-four (24) hours. However, based on a particular situation and/or the level of data corruption or conversion, the rush fee option may not be available. If ELITE is unable to repair LICENSEE's data, LICENSEE may elect, at LICENSEE's sole option and cost, to retain the services of a third-party consultant, specializing in complex data recovery and repair, for the purpose of analyzing and repairing or converting the data submitted by LICENSEE. LICENSEE agrees any product rendered by the third-party consultant's data analysis may still require additional data conversion and analysis by ELITE, subject to the terms of this Paragraph. If LICENSEE elects to retain the services of a third-party consultant, LICENSEE shall first agree to the terms of and execute the ELITE Third-Party Consultant Retention Agreement, the provisions of which shall control the relationship between ELITE, LICENSEE, and the third-party consultant. If LICENSEE desires ***extended "on-site" training or technical support,*** LICENSEE agrees to sign and return the "Elite Software Extended 'On-site' Training or Technical Support Application and Agreement" to ELITE. EXTENDED SUPPORT, AND EXTENDED "ON-SITE" TRAINING OR TECHNICAL SUPPORT, ARE NOT AVAILABLE UNLESS LICENSEE IS ELIGIBLE TO RECEIVE BASIC SUPPORT AS OUTLINED IN PARAGRAPH 18.

20. **AFTER HOURS SUPPORT.** Technical support may be provided AFTER the normal office hours of ELITE's Technical Support Department and during holidays, but at an additional daily fee of $80.00 per incident. This after-hours rate may change from time to time and any changes are posted on Elite's web site -- http://www.elitesoftware.com/tech/tech.htm. **The daily "after hours" fee of $80.00 per incident is final, non- refundable**, and must be paid before receiving "after hours" technical support**.** LICENSEE shall pay this fee on each occasion before receiving "after hours" technical support. If LICENSEE requires such support, LICENSEE shall first have a valid credit card ready before calling, then contact ELITE to have a technician paged. If LICENSEE does not have a credit card, the card is declined, or LICENSEE is not already entitled to Basic Support as outlined in Paragraph 18 of this Agreement, LICENSEE will not qualify for "after hours" technical support. It may take as long as one hour until LICENSEE's page is answered. Also, the moment a technician is paged, LICENSEE's credit card is instantly billed the $80.00 fee. LICENSEE is obligated to pay this fee even if: a) LICENSEE resolves the problem before the technician calls LICENSEE, or b) the technician attempts to contact LICENSEE and encounters an answering machine or no answer, or c) LICENSEE is not satisfied with the assistance provided by the technician.

21. **DATA CORRUPTION. Data corruption from within the Software Program and Elite Salon and Spa Payroll™ could occur at any moment, and LICENSEE agrees to indemnify and hold harmless ELITE from any liability for such data corruption.** To minimize problems that may stem from such corruption, LICENSEE shall perform daily backups of LICENSEE's data using a different disk for each day of the week LICENSEE is open for business. If LICENSEE should happen to encounter data corruption and have no disks containing a valid backup, LICENSEE may send corrupted data to ELITE for repair purposes under the provisions as set forth in Paragraph 19 of the Agreement. If LICENSEE elects to retain a third-party consultant, as set forth in Paragraph 19, above, the provisions of Paragraph 19 and the Elite Third-Party Consultant Retention Agreement shall control the relationship between ELITE, LICENSEE, and the third-party consultant.

Please Initial Here: _____

22. **LIMITATIONS.** ELITE reserves the right to limit its obligations in Paragraphs 17, 18, 19, 20 and 21 herein, to provide technical support and/or data corruption support to LICENSEE in support of a specific release of the Elite Property to a period ending no earlier than three years from the date that software release upgrade is made available by ELITE to all customers.

23. **THIRD-PARTY CONSULTANT.** ELITE will not be liable for any costs incurred as a result of LICENSEE, for any reason, employing the services of a third-party computer consultant or other technical personnel.

24. **SECURITY PASSWORD.** ELITE may choose NOT to provide support on confidential topics unless LICENSEE provides the "Customer Security Password" to ELITE (such as LICENSEE's mother's maiden name or the name of a pet). Note: The Customer Security Password is entered below by LICENSEE in the signature area of this contract. An example of when an ELITE technician or trainer may require the customer security password from LICENSEE is when LICENSEE forgets a program password. If LICENSEE desires to change the Customer Security Password after this Agreement is signed and accepted by ELITE, LICENSEE must complete, sign and return to ELITE a "Elite Software Change in Customer Information" form.

25. **USER MANUAL.** LICENSEE may view or print the user manuals from the program CD and there is no charge for such electronic manuals. LICENSEE may also purchase pre-printed manuals from ELITE for a fee of $49.00 plus the costs of shipping and handling.

26. **LIMITED WARRANTY.** With respect to the media on which the Software Program and Components and Modules are transmitted to LICENSEE (the "Software Media"), and the physical documentation, ELITE warrants that these items will be free from defects in materials and workmanship, assuming normal use, for a period of thirty (30) days from the date LICENSEE first subscribes to this license to use the Software Program. ELITE warrants the SCSD shall be free from defects assuming normal use, for as long as LICENSEE subscribes to this license to use the Software Program. In the event of notification within the warranty period of defects in materials and workmanship, the defective Software Media or documentation will be replaced free of charge, and the SCSD will be repaired as set forth in Paragraph 14, hereof, so long as LICENSEE mails, freight pre-paid by LICENSEE, the defective material to ELITE along with a copy of the invoice clearly displaying the date LICENSEE first subscribed to this license to use the Software Program. The sole remedy for breach of this warranty is limited to replacement of the Software Media and documentation, and the repair of the SCSD. The SCSD warranty is more particularly set forth in Paragraph 14, hereof.

    EXCEPT FOR THE ABOVE WARRANTY, THIS SOFTWARE PROGRAM, AND COMPONENTS AND MODULES ARE PROVIDED "AS IS". THE ENTIRE RISK AS TO RESULTS AND PERFORMANCE OF THE SOFTWARE PROGRAM, AND COMPONENTS AND MODULES IS ASSUMED BY LICENSEE. NEITHER ELITE, NOR AGENTS OF ELITE, NOR THE CREATORS OF THE SOFTWARE PROGRAM, AND COMPONENTS AND MODULES, WARRANT OR GUARANTEE THE RESULT TO BE OBTAINED WITH THE SOFTWARE PROGRAM, AND COMPONENTS AND MODULES IN TERMS OF CORRECTNESS, RELIABILITY OR LEGALITY. THE ABOVE IS THE ONLY WARRANTY OF ANY KIND, EITHER EXPRESSED OR IMPLIED, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTY OF THE MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

    THE LIABILITY OF ELITE OR ANY AGENT OF ELITE OR ANY CREATOR OF THIS SOFTWARE PROGRAM, AND COMPONENTS AND MODULES UNDER THE LIMITED WARRANTY SET FORTH ABOVE SHALL BE LIMITED TO AND NOT EXCEED THE AMOUNT PAID BY LICENSEE FOR THE PROGRAM SOFTWARE MEDIA AND RELATED SOFTWARE AND MATERIALS. IN NO EVENT SHALL ELITE, OR ANY AGENT OF ELITE, OR ANY CREATOR OF THIS SOFTWARE PROGRAM, AND COMPONENTS AND MODULES, BE LIABLE FOR ANY LOSS OF PROFITS OR ANY OTHER DAMAGES INCLUDING BUT NOT LIMITED TO SPECIAL, INCIDENTAL, CONSEQUENTIAL, OR OTHER DAMAGES. SOME STATES DO NOT ALLOW LIMITATIONS OR EXCLUSIONS OF LIABILITY OF THE ABOVE LIMITATIONS OR EXCLUSIONS MAY NOT APPLY TO LICENSEE.

27. **WAIVER.** No act, delay, omission or course of dealing between LICENSEE and ELITE shall be a waiver of any of ELITE's rights or remedies under this agreement. A waiver by ELITE of any rights or remedies under the terms of this agreement or with respect to any obligation on any occasion will not be a bar to the exercise of any right or remedy on any subsequent occasion. All rights and remedies of ELITE hereunder are cumulative and may be exercised singly or concurrently, and the exercise of any one or more of them will not be a waiver of any other.

28. **VENUE.** Exclusive venue for any action stemming from this Agreement shall lie in state court in Alachua County, Florida.

29. **GOVERNING LAW.** This Agreement shall be governed by the laws of the state of Florida applied to contracts entered into in the State of Florida to be performed in the State of Florida by Florida residents.

30. **COSTS OF LITIGATION.** In the event of legal action and its subsequent appeals between ELITE and LICENSEE, ELITE shall be entitled to recover its reasonable legal fees incurred if ELITE prevails in said legal action and its subsequent appeals. All delinquent sums due hereunder shall accrue interest at the rate of 1.5% per month.

Please Initial Here: _____

31. **ASSIGNMENT.** This Agreement may be assigned by ELITE in which event ELITE shall be released from all duties and liabilities hereunder. LICENSEE shall not assign this Agreement to any other person or entity.

32. **MODIFICATION.** The terms of this Agreement may only be modified in writing signed by both parties, or by the terms of any subsequent modification by ELITE included in the printed or on-screen documentation accompanying any future releases of the Elite Property.

33. **INTERNATIONAL PROTECTION**. The intellectual property that is the subject of this license, including, but not limited to the Elite Property, is protected by US Copyright Laws and International Treaties, the violation of which may subject LICENSEE to liability for damages caused to ELITE by LICENSEE's violations.

34. If LICENSEE is a corporation, limited liability company (LLC), limited partnership, or general partnership, then the person executing this Agreement is authorized to bind LICENSEE to the terms hereof, and that this Agreement is not effective and binding until and unless Section C (Unconditional and Continuing Guaranty) is executed by a person acceptable to ELITE.

35. The terms of this Agreement shall become effective on the date this Agreement is executed by LICENSEE and, if applicable, the Unconditional and Continuing Guaranty is executed by GUARANTOR, and both this Agreement and the Guaranty are subsequently accepted by ELITE.

Please Initial Here: _____

THIS IS A LEGALLY BINDING AGREEMENT; PLEASE READ ALL PAGES. THIS AGREEMENT IS THE OBLIGATION OF THE TRANSFEREE NAMED BELOW:

_____

TRANSFEREE's* Printed Name ***IMPORTANT, PLEASE READ FIRST: If TRANSFEREE is a corporation or an entity other than an individual, then the name of that corporation or entity MUST be printed as TRANSFEREE.**

_____ _____

Signature of TRANSFEREE or TRANSFEREE's Agent Printed Name of Person Signing (if NOT an individual or sole proprietor)

_____ _____

Title of Person Signing Date

_____

TRANSFEREE Address City State Zip Code

_____ _____ _____

Phone Fax E-mail address

TRANSFEREE listed above is a(n): [ ] Individual/Sole Proprietorship [ ] Limited Liability Company (LLC)

[ ] Limited Partnership [ ] Corporation [ ] General Partnership

TRANSFEREE provides the following "Customer Security Password" information for support purposes:

(Select ONLY ONE option below)

[ ] What is your mother's maiden name? _____

[ ] What is the name of the city you were born in? _____

[ ] What are the last four digits of your social security number: _____

STATE OF _____
COUNTY OF _____

BEFORE ME, the undersigned authority, personally appeared the above referenced TRANSFEREE who states his/her name is

_____, who [ ] is personally known / [ ] did show identification to me, and under oath does state that he/she is the aforementioned named TRANSFEREE and who did execute the forgoing in my presence.

SWORN TO AND SUBSCRIBED before me this ____ day of _____, 200__.

Witness my hand and seal:

_____ _____

Signature of Notary Public Date

My commission expires: _____

Please Initial Here: _____

SECTION B.

UNCONDITIONAL AND CONTINUING GUARANTY

The undersigned, individually, in order to induce ELITE to subscribe to the Elite Property to LICENSEE hereby guarantees to ELITE the performance of the above named LICENSEE and all duties and obligations of LICENSEE including all subscription fees, rents, monies, damages, expenses, court costs and attorneys' fees incurred under the terms of this License and Monthly Subscription Agreement or the terms of any other License and Monthly Subscription Agreement executed by LICENSEE. The License and Monthly Subscription Agreement to which this Guaranty is attached, and any other License and Monthly Subscription Agreements executed by LICENSEE shall be collectively referenced herein as the "License Agreements".

The undersigned Guarantor consents that the obligation of LICENSEE for the liabilities hereby guaranteed may be renewed, extended, modified, or released, or surrendered, all without affecting the obligations of the undersigned Guarantor. This Guaranty shall be construed as an absolute and unconditional Guaranty of payment and shall continue after the termination or cancellation of said License Agreements until all obligations and payments of LICENSEE are fully satisfied. ELITE may enforce this Guaranty without being obligated to resort first to any security or any other remedy against LICENSEE. Guarantor understands and agrees (s)he is not entitled to and shall not receive any notice on non-payment, non-performance or non-observance nor any proof, notice or demand and Guarantor expressly waives same.

This Guaranty is general and shall inure to, and may be relied upon and enforced by, any successor or assign of ELITE. The obligations of Guarantor shall be binding upon Guarantor and their successors and assigns. This Guaranty shall be governed by the laws of the State of Florida and Guarantor waives jury trial in any proceeding relating to said License Agreements or this Guaranty. Exclusive venue for any proceeding relating to said License Agreements or this Guaranty shall be in Alachua County, Florida.

Guarantor executes this Guaranty in his/her individual and personal capacity and any title or corporate position or agency that may be indicated hereon is to be given no effect. Guarantor represents and warrants that the following information is true and correct, and authorizes the verification of same by reasonable means. Should any of the information provided below change during the life of this Guaranty, then Guarantor agrees to provide that updated information to ELITE in writing.

GUARANTOR NAME:_____ SSN#_____

PHYSICAL ADDRESS:_____ DL#_____

MAILING ADDRESS:_____ PH#_____

CITY/STATE/ZIP:_____ DOB_____

_____ _____

Guarantor Signature Date